



# STATE OF CALIFORNIA



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GOVERNOR

**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**  
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December 17, 2010

The Honorable Chairperson  
Joint Legislative Budget Committee  
1020 N Street, Room 553  
Sacramento, CA 95814

The Honorable Alyson Huber, Chair  
Joint Legislative Audit Committee  
1020 N Street, Room 107  
Sacramento, CA 95814

Dear Chairperson and Assemblymember Huber:

On behalf of the Department of Health Care Services (DHCS) and the California Medical Assistance Commission (CMAC), we are issuing this letter as a report to your respective legislative committees as required pursuant to the following language contained in the Health Trailer Bill from the Budget Act of 2005:

“On an annual basis, the State Department of Health Services and the California Medical Assistance Commission shall provide fiscal information to the Joint Legislative Audit Committee and the Joint Legislative Budget Committee on the funds provided to the contract hospitals participating in the Medi-Cal Program, and the health plans participating in the Medi-Cal Managed Care Program, for implementation of nurse-to-patient ratios.”

As noted in our letter dated December 29, 2009, Medi-Cal hospital payments are not specific to any single purpose or cost issue, nor do hospitals file with DHCS detailed cost and statistical data isolating the funds received or spent on the nurse-to-patient staffing ratios. The managed care base rates for each managed care plan have, for a number of years, fully incorporated the costs for nurse staffing. In addition, the result of recent Medi-Cal budget reductions and other rate-related program changes is that DHCS' data cannot provide valid comparisons of Medi-Cal expenditures before and after implementation of the nurse staffing ratios.

The Honorable Chairperson  
The Honorable Alyson Huber  
December 17, 2010

Therefore, for the purposes of reporting requirements in the Health Trailer Bill from the Budget Act of 2005, we would like to refer your legislative committees to CMAC Annual Reports to the Legislature published at <http://www.cmac.ca.gov/annual.asp>.

If you have any questions or would like any additional information, please contact Mr. Bob Sands, Chief, Safety Net Financing Division, at (916) 552-9113.

Sincerely,

*Original signed by:*

Toby Douglas  
Chief Deputy Director  
Health Care Programs

*Original signed by:*

Keith Berger  
Executive Director  
California Medical Assistance Commission

cc: Mr. Bob Sands, Chief  
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Department of Health Care Services  
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